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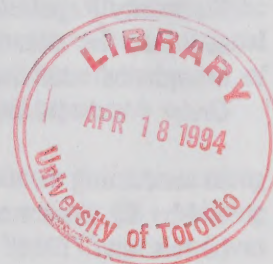
Energy Board

Reasons for Decision

Ontario Hydro

Application to revoke Certificate EC-III-11 and issue two permits authorizing new international power lines

March 1994



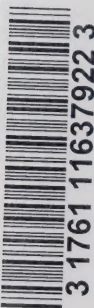
1.0 The Application

Ontario Hydro requested that the Board:

- (a) Revoke Certificate of Public Convenience and Necessity EC-III-11 for the existing international power line;
- (b) Issue to Ontario Hydro a permit authorizing the construction, ownership, operation and maintenance of a new international power line ("the utility circuit") extending from Tower A, adjacent to the T3 substation of Boise Cascade Canada Ltd. ("Boise Canada") in Fort Frances, Ontario, to a point on the international boundary 19.37 m east of TP223 in the Rainy River. This new international power line would consist of:
 - (i) a new 3-circuit tower which will replace the existing Tower A;
 - (ii) a new 2-circuit tower which will replace the existing tower located on the exposed bedrock in the Rainy River;
 - (iii) the circuit on the east side of the towers, including insulators and associated hardware, which will be of three-phase construction using one 795 kcmil ACSR conductor per phase and insulated for a nominal operating voltage of 115 kV; and
 - (iv) a 7#7 alumoweld ground wire incorporating at least twelve optical fibres for communications purposes.

This permit would replace Certificate of Public Convenience and Necessity EC-III-11.

- (c) Issue a second permit to Boise Canada, authorizing the construction and ownership, **but not the operation or maintenance** of an new international power line ("the Boise circuit") made up of conductors, insulators and associated hardware, located on the west side of the same towers, also using one 795 kcmil ACSR conductor per phase insulated for a nominal operating voltage of 115 kV.



2.0 Procedures Followed in Examining the Application

The application was processed under the revised procedures described in the Board's Memorandum of Guidance on Process Reform Concerning Electricity Export and International Power Line Applications, as revised on 7 July 1993, ("the 1993 MOG") as well as the Memorandum of Guidance on Early Public Notification of Proposed Applications, as revised on 4 March 1993.

In its examination of the application, the Board ensured that its information requirements, set out in section 119.03 of the *National Energy Board Act* ("the Act") and in the draft *National Energy Board Electricity Regulations* ("the regulations"), attached as Appendix II to the 1993 MOG, were met. In addition, the examination incorporated a screening of the environmental effects of the proposal in accordance with those requirements of the *Environmental Assessment and Review Process Guidelines Order* which did not duplicate any portion of the Board's own regulatory process.

In conducting the examination, the Board sought to avoid duplication of measures taken by Ontario Hydro and by the Government of Ontario and had due regard to all considerations that appeared to the Board to be relevant. These considerations include:

- a) the effect of the power lines on provinces other than those through which the line is to pass;
- b) the impact of the construction or operation of the power lines on the environment; and
- c) such considerations as are specified in the regulations.

The Board is satisfied that Ontario Hydro has responded to all the information requirements set out in the regulations.

2.1 General Public Notice Procedures

The Board notes that Ontario Hydro sent copies of its application to Manitoba Hydro, Hydro-Québec and the Ontario Ministry of Environment & Energy on 29 October 1993. Only Manitoba Hydro indicated any concern regarding the facilities proposed in the application and that concern was subsequently addressed to Manitoba Hydro's satisfaction.

Furthermore, the Board notes that Ontario Hydro published a notice of its application in the Canada Gazette on 6 November 1993 and also published a Notice of Application and Direction on Procedure in the Fort Frances Times, in French and English, on 3 November 1993. No submissions from interested parties were received in response to these publications.

The Board is satisfied that potential interested parties, including the general public, were given an adequate opportunity to express their views concerning the application.

3.0 Views of the Board

In its examination of the application the Board considered all relevant matters, including the matters outlined below.

3.1 The Board's Jurisdiction Over Facilities Interconnecting Ontario Hydro and Minnesota Power

The Board notes that the utility circuit proposed by Ontario Hydro would only be a part of the longer power line which would interconnect the power systems of Ontario Hydro and Minnesota Power. As shown on the attached Figure 1, the facilities which would make up the Canadian portion of the interconnection consist of the power line ABC and the associated circuit breakers 1 and 2. Ontario Hydro's proposed utility circuit BC would be merely an extension of its existing power line AB.

The Board's longstanding policy with respect to international power lines is given in its report entitled *The Regulation of Electricity Exports*, published in June 1987. The report states that "In practice the Board usually considers an international power line to be that portion of a line between the international boundary and the closest Canadian substation. Such a substation is usually considered the point of interconnection between the international section of the power line and the domestic system."

In the Board's view, the circumstances which, in 1972, led it to issue a certificate for the existing international power line which was not consistent with this practice no longer exist. The existing international power line, which corresponds to line BC on Figure 1, was owned by Boise Canada and was utilized for the sole purpose of transmitting electricity, delivered by Ontario Hydro at point B, to Boise Cascade Corporation in the U.S. The line did not form a synchronous interconnection between power systems like that now proposed by Ontario Hydro.

On the basis of these facts, the Board, in its letter of 1 February 1994, notified Ontario Hydro that it considered that the existing Ontario Hydro line AB together with the proposed utility circuit BC would make up a single functional power line ("the international power line") to be used for the purpose of exporting to the U.S. and would, therefore, fall under the Board's jurisdiction. Ontario Hydro, in its response dated 18 February 1994, accepted the Board's definition of the international power line on the understanding that, if the existing Ontario Hydro line AB is required to supply domestic load in the future, it will apply to have the international power line redefined.

3.2 Early Public Notification

The Board notes that Ontario Hydro's early public notification process dealt with the construction of both the utility circuit and the Boise circuit.

The public notification process by Ontario Hydro consisted of meetings with the Town of Fort Frances and the Ministry of Natural Resources, letters to the Mayor, MP, and MPP, the local First Nations of the Fort Frances Tribal Area, property owners and tenants near the proposed construction site. Also, Ontario Hydro published a notice on 28 July 1993 in both the local Fort Frances newspaper and the Thunder Bay newspaper.

The Board is of the view that Ontario Hydro has met the requirements of the Board's Memorandum of Guidance Concerning Early Public Notification.

3.3 The Effect of the Proposal On Provinces Other than Ontario (Reliability)

The Board notes that Ontario Hydro only supplied information concerning the effect on neighbouring provinces of the proposed tie to Minnesota Power which includes the utility circuit. The Board understands



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File No.: 2200-O001-9

Date: 4 March 1994

By Facsimile

Mr. L.E. Leonoff
Senior Vice President, General Counsel and Secretary
Ontario Hydro
700 University Avenue
Toronto, Ontario
M5G 1X6

Dear Mr. Leonoff

**Re: Ontario Hydro Application Dated 29 October 1993
Revocation of Certificate EC-III-11 and
Authorization of Two New International Power Lines**

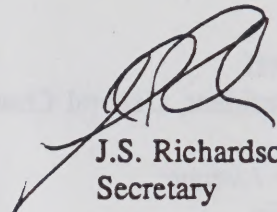
The National Energy Board is prepared to revoke Certificate EC-III-11 and to issue a permit for a new international power line in the name of Boise Cascade Canada Ltd. as requested in your application of 29 October 1993.

However, with respect to your request for a permit for a new international power line to be issued in the name of Ontario Hydro, the Board considers that the existing Ontario Hydro power line from Fort Frances Transformer Station to the Boise Cascade Canada Ltd. property, to which the proposed new facilities would be connected, forms part of the actual international power line and comes under the Board's jurisdiction. Because the Board is aware that the sole purpose of constructing these facilities is to permit Ontario Hydro to operate the international power line as a synchronous tie with the Minnesota Power system and since, pursuant to section 20 of the Act, the Board may grant such further or related relief, in addition to that applied for, as to the Board seems just and proper, the Board is prepared to issue a permit for the entire international power line, based on the original application and on the additional information supplied by Ontario Hydro in response to requests by the Board, rather than require Ontario Hydro to submit an amended application.

Accordingly, the Board has issued Order RO-1-EC-III-11 revoking Certificate EC-III-11 and granting leave to abandon the existing international power line. It has also issued Permit EPE-59 in the name of Ontario Hydro and Permit EPE-60 in the name of Boise Cascade Canada Ltd. Copies of the Board's Reasons for Decision and the order and permits are attached. A French translation of these documents will be forwarded to you as soon as they become available.

The Board would point out that prior approval will be required for the completion of the construction and operation of the international power line authorized by Permit EPE-60.

Yours truly,



J.S. Richardson
Secretary

Attach.



ORDER RO-1-EC-III-11

IN THE MATTER OF the *National Energy Board Act* ("the Act") and the Regulations made thereunder; and

IN THE MATTER OF an application by Ontario Hydro to revoke Certificate EC-III-11, filed with the National Energy Board ("the Board") under File No. 2200-O001-9

BEFORE the Board on 3 March 1994.

WHEREAS, in its application dated 29 October 1993, Ontario Hydro requested that the Board revoke Certificate EC-III-11 which was issued by the Board on 11 July 1972;

AND WHEREAS the Board has carried out an examination of the application which included the consideration of all comments on or objections to the application which it received from interested parties;

AND WHEREAS the reason for the requested revocation of Certificate EC-III-11 is that Ontario Hydro's existing 115 kV international power line will be dismantled and replaced by a new 115 kV line which will form part of the international power line authorized by the Board under Permit EPE-59;

AND WHEREAS the Board is of the view that authority to abandon the existing international power line pursuant to subsection 58.34(2) of the Act is required in order to facilitate the construction and operation of the new 115 kV power line;

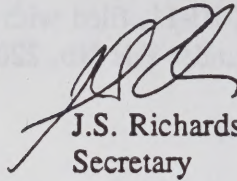
AND WHEREAS the Board is of the opinion that it will be just and proper in the circumstances of this case to grant authority to abandon the operation of the existing international power line;

IT IS ORDERED THAT;

1. Pursuant to subsection 58.37(1)(a) of the Act, Certificate EC-III-11 dated 11 July 1972 be and the same is hereby revoked effective on the day the new 115 kV international power line authorized by Permit EPE-59 is placed in service; and

2. Pursuant to section 20 and subsection 58.34(2) of the Act, leave of the Board be and the same is hereby granted to Ontario Hydro to abandon the 115 kV international power line authorized by the said Certificate EC-III-11, effective on the day the new 115 kV international power line authorized by Permit EPE-59 is placed in service.

NATIONAL ENERGY BOARD



J.S. Richardson
Secretary

RO-1-EC-III-11



PERMIT EPE-59

IN THE MATTER OF section 58.11(1) of Division II of Part III.1 of the *National Energy Board Act*, and

IN THE MATTER OF an application by Ontario Hydro for authorizations to construct an international power lines for its own use, filed with the National Energy Board ("the Board") under File No. 2200-O001-9

BEFORE the Board on 3 March 1994.

WHEREAS, in an application dated 29 October 1993, Ontario Hydro requested the Board to issue to it a permit authorizing the construction, operation and maintenance of an international power line, including the lattice steel towers, overhead ground wire and the conductors, insulators and associated hardware making up the circuit located on the east side of the said towers;

AND WHEREAS Ontario Hydro, on 6 November 1993, published a notice of the application in the *Canada Gazette*;

AND WHEREAS Ontario Hydro, on 3 November 1993, published a Notice of Application/Direction on Procedure in the *Fort Frances Times* in the province of Ontario, in French and English, in accordance with the Board's Memorandum of Guidance dated 7 July 1993;

AND WHEREAS the Board has not received any comments on or objections to the application from the general public in response to these publications;

AND WHEREAS pursuant to the *Environmental Assessment and Review Process Guidelines Order* ("EARP Guidelines Order"), the Board has performed an environmental screening and has considered the information submitted by Ontario Hydro;

AND WHEREAS the Board has determined, pursuant to paragraph 12 (c) of the EARP Guidelines Order, that the potentially adverse environmental effects, including the social effects directly related to those environmental effects which may be caused by the proposal, are insignificant or mitigable with known technology, and, since the Board is not aware of any public concern about the project, there is no need to refer it for a panel review;

AND WHEREAS the Board has determined, after considering the information provided by Ontario Hydro as well as the interventions or submissions received from interested parties, that further public review of the application is not warranted;

IT IS ORDERED THAT Ontario Hydro be and is hereby authorized to construct and operate an international power line which shall consist of:

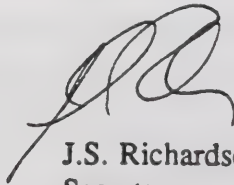
- (a) the existing Ontario Hydro power line designated as F3M extending 0.79 km from its Fort Frances Transformer Station in the Town of Fort Frances, Ontario, to a lattice-steel tower adjacent to the T3 substation of Boise Cascade Canada Ltd. located on the mill property of said company, with one 795 kcmil ACSR conductor per phase, insulated for a nominal operating voltage of 115 kV between phases mounted for the most part on double-circuit lattice-steel towers, and
- (b) the new facilities to be constructed pursuant to this permit,

subject to the following terms and conditions:

1. The international power line to be constructed and operated pursuant to this permit shall be owned and operated by Ontario Hydro.
2. The new facilities to be constructed pursuant to this permit shall consist of one three-phase circuit including insulators and associated hardware along with a 7#7 alumoweld overhead ground wire incorporating at least twelve optical fibres for communications purposes mounted on lattice steel support towers. The circuit shall be made up of one 795 kcmil ACSR conductor per phase insulated for a nominal operating voltage of 115 kV between phases and shall be mounted on the east side of the associated lattice steel towers.
3. The new facilities to be constructed pursuant to this permit shall extend from the lattice-steel tower designated as Tower A, adjacent to the T3 substation of Boise Cascade Canada Ltd. on the mill property of that company, to a point on the international boundary 19.37 m east of TP223 located in the Rainy River in the Town of Fort Frances, Ontario, a distance of approximately 0.36 km.
4. The new facilities shall be constructed so as to meet or exceed the requirements of Canadian Standards Association standard CAN3-C22.3 No. 1-M87, "Overhead Systems".
5. Unless the Board otherwise directs, Ontario Hydro shall implement or cause to be implemented all of the policies, practices, recommendations and procedures for the protection of the environment included in or referred to in the application or as adduced as evidence in the review process, including those procedures and recommendations outlined in the Department of Fisheries and Oceans ("DFO") letter dated 20 September 1993 with the exception of condition 8 thereof and the revised letter from DFO dated March 1994 with a revised condition 8.

6. Unless the Board otherwise directs, Ontario Hydro shall file with the Board a post-construction environmental letter report within six months after the in-service date of the project. The report shall include a discussion of the effectiveness of the mitigative procedures used during construction, identification of any unresolved environmental issues and a description of the measures Ontario Hydro proposes to implement in respect of the unresolved issues.
7. Ontario Hydro shall file a description and schematic diagram of the metering facilities to be used to meter the power and energy exported or imported over the international power line for approval by the Board, which approval shall be obtained before the said metering facilities are installed.
8. Ontario Hydro may export up to 150 MW to the U.S. and import up to 100 MW over the international power line authorized by this permit without prior notification to any Canadian utility which might be affected.
9. The limits specified in Condition 8 above may be exceeded provided that Ontario Hydro notifies the neighbouring Canadian utilities which might be affected to ensure that such an occurrence will not compromise the reliability and security of operation of their power systems; and any such change to the power transfer limits specified in Condition 8 will require Board approval.
10. Ontario Hydro shall not make any change in the international power line authorized by this permit or in the associated metering facilities without prior approval by the Board.
11. Ontario Hydro shall ensure that the operation and maintenance of its international power line shall not interfere in any way with the operation and maintenance of the international power line of Boise Cascade Canada Ltd. authorized by Permit EPE-60 which is located on the same lattice steel towers.
12. If the international power line has not been placed in operation by 1 September 1996, this permit shall expire on that date or upon such other date as may, upon application, be fixed by the Board.

NATIONAL ENERGY BOARD



J.S. Richardson
Secretary

EPE-59



PERMIT EPE-60

IN THE MATTER OF section 58.11(1) of Division II of Part III.1 of the *National Energy Board Act*, and

IN THE MATTER OF an application by Ontario Hydro on behalf of Boise Cascade Canada Ltd., for authorizations to construct an international power line, filed with the National Energy Board ("the Board") under File No. 2200-O001-9

BEFORE the Board on 3 March 1994.

WHEREAS, in an application dated 29 October 1993, Ontario Hydro requested the Board to issue to Boise Cascade Canada Ltd. a permit authorizing the construction of an international power line consisting of the conductors, insulators and associated hardware making up the circuit located on the west side of the lattice-steel towers associated with the new facilities making up part of the international power line authorized by the Board under Permit EPE-59;

AND WHEREAS Ontario Hydro, on 6 November 1993, published a notice of the application in the Canada Gazette;

AND WHEREAS Ontario Hydro, on 3 November 1993, published a Notice of Application/Direction on Procedure in the Fort Frances Times in the province of Ontario, in French and English, in accordance with the Board's Memorandum of Guidance dated 7 July 1993;

AND WHEREAS the Board has not received any comments on or objections to the application from the general public in response to these publications;

AND WHEREAS pursuant to the *Environmental Assessment and Review Process Guidelines Order* ("EARP Guidelines Order"), the Board has performed an environmental screening and has considered the information submitted by Ontario Hydro;

AND WHEREAS the Board has determined, pursuant to paragraph 12 (c) of the EARP Guidelines Order, that the potentially adverse environmental effects, including the social effects directly related to those environmental effects, which may be caused by the proposal are insignificant or mitigable with known technology, and since the Board is not aware of any public concern about the project there is no need to refer it for a panel review;

AND WHEREAS the Board has determined, after considering the information provided by Ontario Hydro that further public review of the application is not warranted;

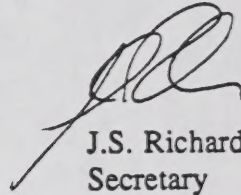
AND WHEREAS the Board considers it to be in the public interest to grant only the authority to construct the international power line until such time as Boise Cascade Canada Ltd. intends to operate the line;

IT IS ORDERED THAT Boise Cascade Canada Ltd. be and is hereby authorized to construct an international power line, subject to the following terms and conditions:

1. The international power line to be constructed pursuant to this permit shall be owned and operated by Boise Cascade Canada Ltd.
2. The international power line shall consist of one three-phase circuit with one 795 kcmil ACSR conductor per phase insulated for a nominal operating voltage of 115 kV between phases including the insulators and associated hardware, making up the circuit located on the west side of the lattice steel support towers associated with the international power line authorized by the Board under Permit EPE-59.
3. The international power line shall extend from the lattice steel support tower designated as Tower A, adjacent to the T3 substation of Boise Cascade Canada Ltd. on the mill property of that company to a point on the international boundary 19.37 m east of TP223 located in the Rainy River in the Town of Fort Frances, Ontario, a distance of approximately 0.36 km.
4. The international power line shall be constructed so as to meet or exceed the requirements of Canadian Standards Association standard CAN3-C22.3 No. 1-M87, "Overhead Systems".
5. Boise Cascade Canada Ltd. shall file a description and diagram of the metering facilities to be used to meter the power and energy exported or imported over the international power line for approval by the Board, which approval shall be obtained before the said metering facilities are installed.
6. Boise Cascade Canada Ltd. shall not connect the international power line to its power system without first filing a description and schematic diagram of the connecting facilities for approval by the Board, which approval shall be obtained before the proposed connection is installed.
7. Boise Cascade Canada Ltd. shall not test or operate the international power line without prior approval by the Board. In requesting such approval, Boise Cascade Canada Ltd. shall provide a description of the procedure to be followed in such testing and operation.

8. Boise Cascade Canada Ltd. shall not make any change in the international power line as defined in Condition 2, except for the connection of the international power line to its power system pursuant to condition 6, or in the associated metering facilities without prior approval by the Board.
9. Boise Cascade Canada Ltd. shall ensure that the operation and maintenance of its international power line shall not interfere in any way with the operation and maintenance of the international power line of Ontario Hydro authorized by Permit EPE-59 which is located on the same lattice steel towers.

NATIONAL ENERGY BOARD



J.S. Richardson
Secretary

